

July 2021

# **Forward-Looking Statements**



Statements in this presentation that are not historical are considered "forward-looking statements" and are subject to change based on various factors and uncertainties that may cause actual results to differ significantly from expectations. Those factors are contained in Enerpac Tool Group's Securities and Exchange Commission filings.

All estimates of future performance are as of June 29, 2021. Enerpac Tool Group's inclusion of these estimates or targets in the presentation is not an update, confirmation, affirmation or disavowal of the estimates or targets.



Strategic Overview

## **A Global Leader in Industrial Tools and Services**



110 YEARS OF HISTORY Menomonee Falls, WI HEADQUARTERS

~2,300

MANAGEMENT TEAM
YEARS EXPERIENCE

100+
# OF COUNTRIES
PRODUCTS SOLD
INTO

Global leader in high precision tools, controlled force products and solutions for precise heavy lifting.

### **Products**

Cylinders/Jacks, Pumps, Bolting tools, Presses, Pullers, Tools, Heavy Lifting Technology

# Service and Rental

Bolting, machining and joint integrity

# **Extensive Global Distribution**

**1,500+** long-standing distribution relationships

**3,500+** distributor locations

# Diversified Customer Base

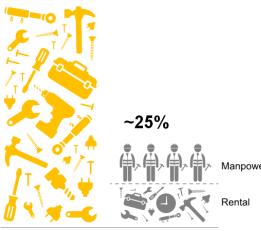
**Specialty Dealers** 

National Distribution

Large OEMs

### **Revenue Mix**

~75%



STRONG BRAND RECOGNITION



Premium Industrial Tools Heavy Lifting

## hydratight

Service Rental Training

# C RTLAND

Medical Industrial Ropes

Tools

Service

## **History**



### 100 Years of History...

#### 1910

The history of Enerpac dates back to 1910, when our original company produced water pumps for the Ford's legendary 'Model T' motor car.

#### 1927

Herbert Brumder visited a small hydraulic jack manufacturer, he realized he was looking at a technology that would become his company's future. The basic hydraulic principle was simplicity itself: fluid under pressure in a closed system exerts equal force in all areas within that system. He purchased the company, rebranding it part of his Blackhawk Tools company.

### 1930s

Blackhawk added product lines during the Great Depression and while other businesses were folding, Brumder confidently advertised his growing business as "the world's largest manufacturer of hydraulic equipment."

#### 1940s

During WWII and the years following, the use of hydraulics grew far beyond its original application and expanded into components and tools that lifted, bent, straightened, pushed, pulled, held, cut and more.

#### 1960

Blackhawk's industrial division that housed these components was given the more formal name "Enerpac," for all the energy packed into each hydraulic tool. Since that time, the Enerpac business has been the heartbeat of its various ownership companies, whether it was Blackhawk Tool, Applied Power or Actuant Corporation.

### 2019

Our company has focused its strategy with Enerpac at its center, leading to the creation of Enerpac Tool Group, a company that will grow from the legacy of delivering the most reliable and advanced industrial tools and services for nearly a century.





# **Positioned to Deliver Long-Term Value**





## Sustainable business model

built on well recognized brands, robust global distribution and broad reach of end markets



## Clear strategy

to drive core growth above market and expand margins



## **Disciplined capital deployment**

powered by strong balance sheet and free cash flow conversion



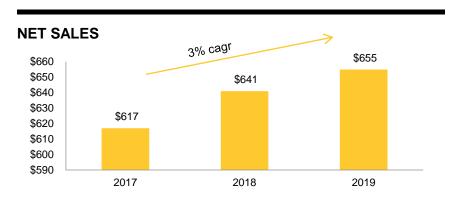
# Experienced leadership team

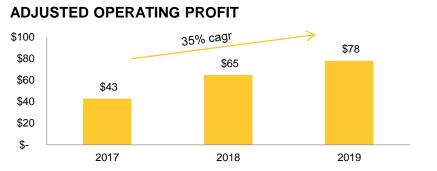
capable of executing to win

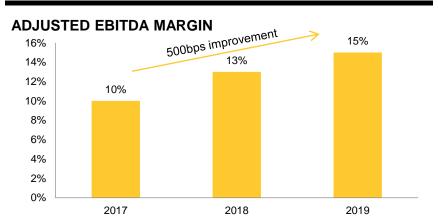


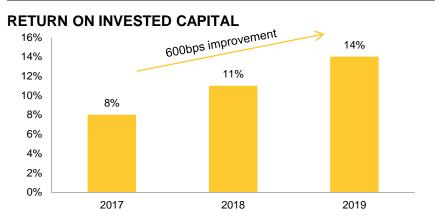
## **Delivering Profitable Growth**











Note: Fiscal 2020 is not included above as results are not representative of the business due to impact of COVID-19. We anticipate to return to normal growth patterns post-COVID.

# **Macro Industry Dynamics Support Growth**



## **Growth in Alternative Energy**

Products and services span multiple alternative markets including nuclear, wind, oil & gas

Mission critical tools are required for difficult conditions

## **Infrastructure Demand**

Heavy lifting technology provides reliable solutions to match challenging infrastructure demands

Aging infrastructure demands products to safely build and repair infrastructure across the globe

## **Increasing Product Complexity**

Products are high precision matched to the increasing standards and tolerances.

The right tool makes all the difference when precision and safety are of the highest importance

## **Growth in Aerospace**

Tools are used throughout the Aerospace industry for the building and on-going maintenance and repair of jet engines with greatest opportunity in military applications

Highest reliability and precision in critical functions



### **13 VERTICAL END MARKETS**



Civil Construction



Power Gen & Utility





Off-Hwy Vehicle Repair



Manufacturing

and Machine Tools



On Hwy Vehicle Repair



Paper/Wood





Military





Steel & Metal



Rescue

Mining







**Diverse verticals provide** reduced cyclicality and increased predictability



**NEVER COMPROMISE** 



## **CIVIL CONSTRUCTION**



## **CHALLENGE**

The Golden Horn Metro Bridge is a 936 m (3,071 ft.) long cable-stayed bridge which spans the Golden Horn waterway in Istanbul, Turkey. Portions of the bridge deck rotate in order to permit large shipping vessels through the waterway. The rotating bridge deck segments were fabricated off-site and floated in on a barge. The 300 ton deck sections needed to be lifted off the barge nearly 17 meters and installed into position.

### **SOLUTION**

Mounted on the top of two temporary steel gantries were two 200 ton capacity HSL2000 hydraulic strand jacks. A custom made bracket was built to connect the deck sections to the strand jack's lifting lug. Operating in unison, the strand jacks lifted the deck sections synchronously. The strand jacks successfully lifted a total 11 deck sections into position.

## **PRODUCT**

Four HSL2000 Strand Jacks



## **INFRASTRUCTURE / MRO**



## CHALLENGE

Safely and efficiently cut rebar/bar with repeatable cuts and without producing dangerous sparks.

## **SOLUTION**

Enerpac Battery Bar Cutter utilizes two blades that shear the material as it cuts, instead of a rotating cut. The shear cut is safer as it does not produce any sparks like a rotary cutter and the shear cutter provides more precision when cutting. Rotary cutter tools tend to walk/slide on the bar as the cut is started. The bar cutter is also faster than a rotary cutter, saving the end user time and money.

## **PRODUCT**

EBC20B



## **AEROSPACE**



## **CHALLENGE**

United Airlines at Chicago's O'Hare International Airport, who performs routine borescope inspections on every engine in their fleet, was looking for a simpler, more controlled way to inspect turbine engine blades.

## **SOLUTION**

By automating the rotation of blades, the Sweeney Digital Turning Tool, or DTT, allows for a single operator to execute the entire borescope inspection process, saving labor costs and allowing for a more efficient inspection process. With a compact design and enhanced features, including the ability to wirelessly operate the tool, the DTT offers a mobile, reliable, & easy to use solution for all United Airlines' borescope inspection needs.

### **PRODUCT**

**DTT - Sweeney Digital Turning Tool** 



## **POWER GENERATION**



## **CHALLENGE**

Lasalle Station, an Exelon Nuclear Power Plant, was looking to reduce manpower, dose exposure and maintenance costs along with increasing reliability when opening and closing their reactor.

## **SOLUTION**

Enerpac's RPV tensioning system has all hydraulics and controls onboard (eliminating need for centralized hydraulic pump and hoses into the cavity) along with hoist and tractor controls on the tensioner allowing for single operator use. We were able to maintain their industry leading tensioning times while cutting the number of tensioners from 8 to 4 and reducing manpower and dose exposure accordingly by only requiring 6 individuals in the cavity compared to 12+ historically.

### **PRODUCT**

**RPV Tensioning System** 

# **Wide Array of Products**



**Bolting** 



**Cylinders** 



**Heavy Lift** 



**Presses** 



**Pumps** 



**Work Holding** 



**Pullers** 



**Spreaders** 



Cutters



## **Hydratight Service**





- **Primary focus on repairs and maintenance** work versus CAPEX projects
  - MRO is less cyclical, less prone to cancellation due to market factors (oil pricing, weather, geopolitical disruptions)



- Primarily mid to down stream oil & gas exposure trillions of dollars of installed assets need to be maintained
- Verticals include oil & gas with significant growth in additional markets including power generation, wind, plant and infrastructure, military



- Leveraging our core competencies to win higher value work including:
  - Flange joint integrity and related software
  - Specialty Machining and Inspection
  - Project Management and Auditing
  - Technical Training and Certification
- Service provides vehicle to sell Enerpac products and rentals







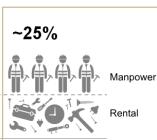


**Revenue Mix** 

~75%



Tools

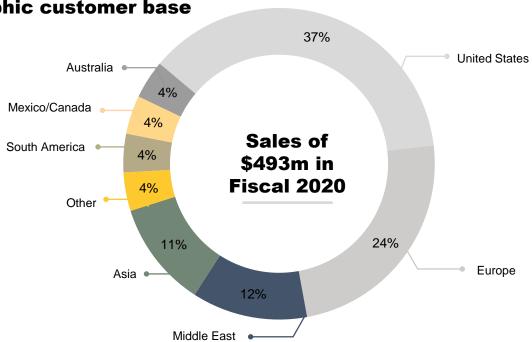


Service

# Serving a Wide Variety of Geographic Regions



Enerpac Tools and Services benefit from having a diverse geographic customer base



Geographic diversification of sales reduces overall exposure to regional economic downturns

## **Extensive Global Footprint**



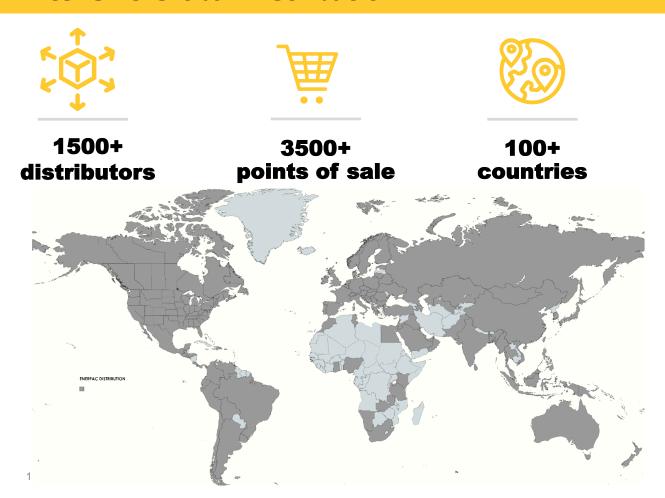


Our Global Footprint Allows
Us To Better Serve Our
Customers and Shareholders

- Producing near our customers leads to a quicker response time
- Understanding local market needs and demand
- Some projects require incountry production
- Low cost country manufacturing/sourcing drives competitive margins

## **Extensive Global Distribution**





# Global Distribution Network is a competitive advantage

- Most robust distribution network in the competitive space
- Application experts with hands-on product demonstrations
- Local access to worldclass tools quickly and conveniently
- Buy or rent the right tools when & where you need them
- Ability to support Global customers
   in all regions

# **Clear Value Creation Model – Long Term Vision**



### **CORE GROWTH ABOVE MARKET**

~5% CORE GROWTH CAGR OR

200-300bps core sales growth > MARKET

- Product innovation
- Expand industries and regions

- Commercial effectiveness
   & share capture
- Incremental growth through strategic M&A



### **DRIVING EFFICIENCY AND PROFITABILITY**

~25% EBITDA MARGINS

- Incremental margin expansion
- Optimized manufacturing footprint
- Structural cost reduction

- Completion of service & product line restructuring exits
- Strategic sourcing
- Proprietary products

### STRONG CASH FLOW GENERATION

+100% FCF CONVERSION = FUEL FOR GROWTH

- Margin expansion
- Low capital intensity (Capex ~2% of sales)

 Drive working capital velocity

# BEST-IN-CLASS RETURNS AND DISCIPLINED CAPITAL DEPLOYMENT

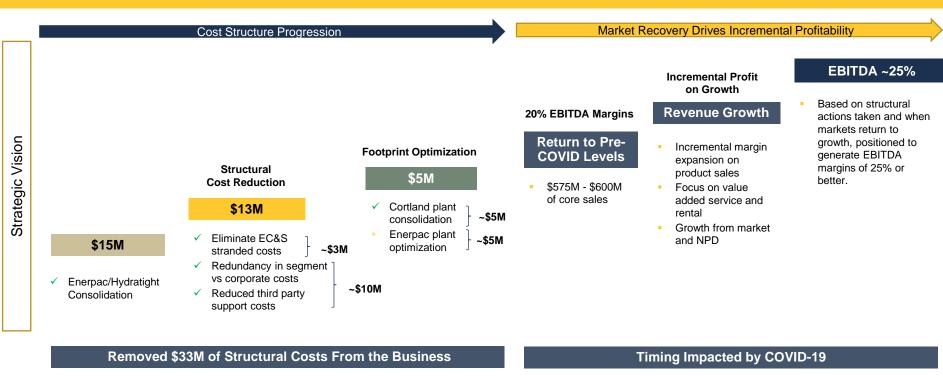
~20% RETURN ON INVESTED CAPITAL

- Organic growth: products, services & people
- Strategic acquisitions
- Opportunistic share repurchases

- Debt reduction; maintain strong balance sheet
- Leverage target of 1.5x – 2.5x

## **Achieving EBITDA Margin Expansion with Market Recovery**





Structural Cost Reductions Expected to Drive Stronger Incremental Margins on Future Growth

# Return on Invested Capital - Deploying Capital to Create Long-Term Sustainable Returns





Invest in Ourselves to Drive Organic Growth



Reduce Debt and Maintain a Strong Balance Sheet



Disciplined M&A within Tool Space



Opportunistic Share, Buybacks

Goal of enhancing
Enerpac's position as a
premier industrial tools and
services company and its
commitment to sustainable
shareholder value creation



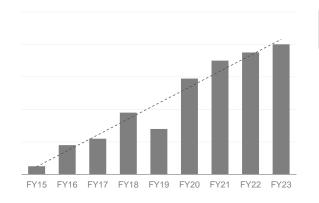
## **Driving Organic Growth: New Product Development**



#### **NEW PRODUCT DEVELOPMENT**

- Focusing on innovation through Centers of Excellence (CoE) and Vertical Market teams
- Bringing new products to market faster
- Improving utilization of resources between CoE's, supply chain and regions to drive launch execution

#### **NEW PRODUCT SALES**



#### **NEW PRODUCT VITALITY**

FY15	FY19	FY20	FY21+
3.5%	7%	11%	10+%

Investment in NPD which began in FY'16 has driven acceleration in new products as a percent of sales



E-Pulse Hydraulic Pump



New Self Locking Cube



XC-Torque Wrench Pump



Clamshell Cutters



RSL Torque Wrench



Lock-Grip Pullers

## **Driving Organic Growth: Commercial Effectiveness**



### **CHANNEL DEVELOPMENT**

- Partnership with Program Distributors and National Accounts
- Selectively expanding network of value-added distributors targeting key vertical markets
- Strengthening distributor relationship via expanded product offerings and technical support

### **COVERAGE**

- Increasing distributor support from field-based Product and Market specialist teams
- Expanding key / national account coverage leveraging Enerpac and Hydratight relationships
- Sales and Marketing aligned to leverage our strong brand, drive demand, generate leads and sell more products

# EXPANDED NETWORK OF VALUE ADDED DISTRIBUTORS

Enhancing distributor capabilities and coverage





### **ENERPAC TOOL CENTERS**

- Opened pilot ENERPAC Tool Center with launch in Deer Park, TX
- Expanding Enerpac Tool Center capability- Product Sales, Rental, Service, Calibration, Training, Product Demos
- Enhances distribution coverage
- Drives additional rental of Enerpac tools



## **Driving Operational Excellence**





# Opportunity to **Drive Profitability**

 Enhancing EBITDA growth through operational improvements



### Value Added Service

- Focus on value-add service – joint integrity, custom machining, bolting
- Eliminating commodity service creates profit improvement



### **Manufacturing Excellence**

- Facilities/locations
- Employing lean techniques and continuous operational improvements/SQDC
- Optimized manufacturing, service and distribution



# Strategic Sourcing & Supply Chain

- Proven competency of leveraging global supply chain
- Sales & operations planning (S&OP)

# Philosophy of continuous improvement



# **Incremental Growth - Disciplined M&A Strategy**









Investing in strategic acquisitions through a disciplined process to capture new growth opportunities

# DISCIPLINED STRATEGY

- Targeting bolt-on and strategic acquisitions of small to mid-sized companies
- Any target must meet our financial and operational criteria
- Margins in line with Enerpac line average

# DRIVING GROWTH THROUGH M&A

- Goal is to become larger, more meaningful provider
- Any acquisition must support the extension of product lines and/or provide technology, which gives Enerpac a competitive advantage

### STRONG BALANCE SHEET

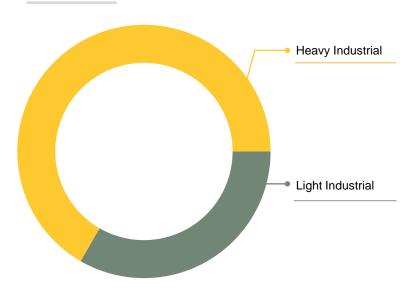
- Will maintain strong financial position
- Current liquidity gives us ample capacity between our cash on hand, existing credit facilities and access to debt markets



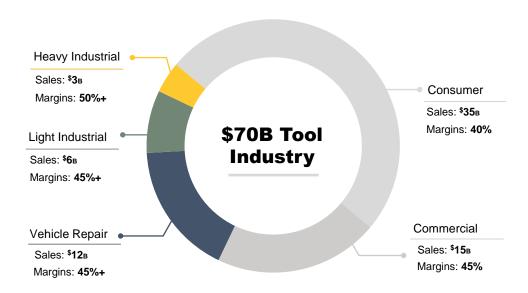
# **Significant Market Opportunity**



Enerpac Today\*
Strong Market Position in Key Segments

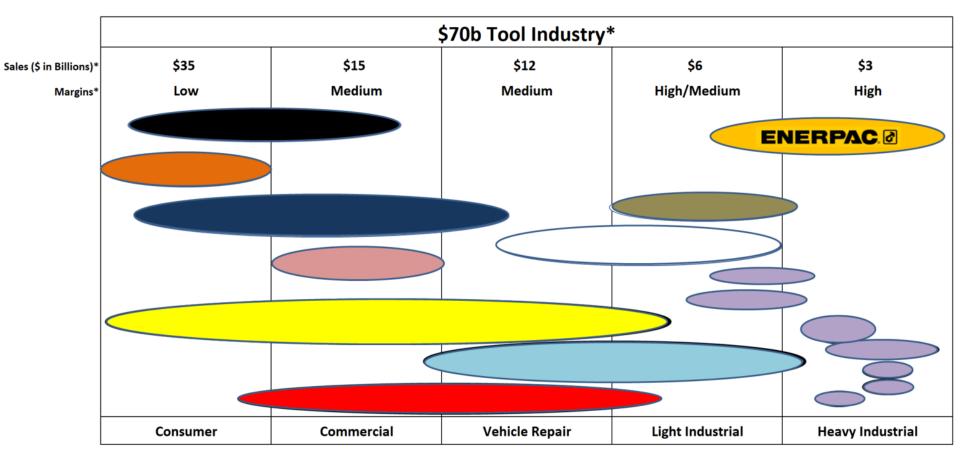


# **Tool Industry Market\***Targeting Growth in High Margin Segments



# **Tools Industry — Consumer to Heavy Industrial**





<sup>\*</sup> Based on management estimates

# **Tools Industry – Consumer to Heavy Industrial**



Tool Types	Consumer	Commercial	Vehicle Repair	Light Industrial	Heavy Industrial
Lifting					
Pulling					
Positioning					
Spreading & Clamping					
Cutting					
Bending					
Extraction					
Machining					
Material Preparation					
Fastening					
Torqueing					
Tensioning					
Calibration					
Diagnostics					
Storage					
		High Participation	Low Participation		

## **People & Culture**





### **OUR VISION**

Is to be our customers' preferred partner through relentless innovation of industrial tools and services that help them safely and reliably tackle their toughest jobs around the world.



### **OUR PEOPLE**

Our talented teams across the globe are our most valuable asset. We recognize their hard work and dedication to make Enerpac Tool Group what it is today. We are focused on employee development and retention of our talent.



## **OUR VALUES**

- We put safety and integrity first
- We focus on our customers
- We work collaboratively
- We deliver on our commitments
- We support our employees and communities



## **DIVERSITY, EQUITY & INCLUSION**

Focused on building an accepting and welcoming culture where all ethnicities, genders, sexual orientation, points of view and backgrounds feel a sense of belonging.

Dedicated to creating an environment that allows for open communication about diversity and inclusion.

Launched Women's initiative to support development and success of diverse talent.

### **NEVER COMPROMISE**



# **Commitment to ESG and Sustainability**





### **SAFETY**

Safety is our #1 priority.

We are committed to the safety, security and health of our people along with the safety and protection of the facilities and communities in which we operate.

Safety is deeply embedded in Enerpac's culture and is fully embraced by all leaders in our organization. We strive to achieve the highest health, safety, security, environmental, and quality standards for our products, services and solutions. We are committed to achieving the Goal of Zero harm to employees, customers and end users of our products.



### **COMMUNITY OUTREACH**

We strive to improve the quality of life and enhance the vitality of the communities in which we operate throughout the world.

We encourage our employees to volunteer their time and talent on behalf of the company and provide paid time off for team-related, sanctioned events.

Our "Give Where You Live" program supports local organizations both financially and through employee volunteer efforts.



### **SUSTAINABILITY**

Our company promotes awareness about protecting the environment, and considers environmental criteria when evaluating projects, products, processes and purchases.

We encourage technologies that do not pollute and employ processes and product designs that minimize waste.

Recently added Sustainability section to enerpactoolgroup.com highlighting our sustainability efforts.

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